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SIPDIS

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SUBJECT: AMBASSADOR'S MEETINGS WITH STATE BANK, FINANCE ON
ANTI-MONEY LAUNDERING, FINANCIAL CRIME

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¶1. (SBU) Summary: This message reports the content of the Ambassador's separate meetings with Vietnam's Minister of Finance Vu Van Ninh and State Bank Governor Le Duc Thuy on May 17 and May 18, respectively. The Ambassador's two interlocutors reaffirmed the GVN's commitment to combating financial crime, in particular pledging to follow the relevant UNSC resolutions on North Korea. The senior GVN officials were more reserved in responding to our suggestion that Vietnam make a formal request that the United States review the GVN's anti-money laundering decree. These meetings also involved other topics (septels) and should be read in conjunction with reftel. End summary.

¶2. (SBU) Transnational Crime: The Ambassador used his meetings with Minister of Finance Vu Van Ninh and State Bank Governor Le Duc Thuy to urge the GVN to remain vigilant against the threats of transnational crime, particularly illicit financial activities by North Korea. The Ambassador expressed appreciation for the GVN's observance of UNSCR 1695 and UNSCR 1718, and stated that the United States strongly supports the GVN's application for full membership in the Asia/Pacific Group (APG). Finance Minister Ninh responded that the GVN would continue to work in cooperation with the international community and would strictly comply with the UNSC resolutions regarding North Korea. SBV Governor Thuy's response to the same points was similar, namely the GVN is treating the resolutions seriously and pledging full cooperation.

¶3. (SBU) Turning to the GVN's 2006 Anti-Monetary Laundering (AML) decree, the Ambassador conveyed the U.S. belief that this legislation is deficient in providing protection against illicit financial transactions. In particular, lack of an acceptable AML decree is an impediment to Vietnamese banks enjoying financial transaction privileges in the United States. The Ambassador said the USG is willing and able to work with the GVN in crafting an acceptable decree, but stressed that a formal request from the GVN is a necessary first step.

¶4. (SBU) Minister Ninh acknowledged that the AML decree needed revision, but noted the SBV had the lead responsibility, working with the Ministries of Finance and Justice. Governor Thuy's response was more expansive. He said the GVN lacked experience in this area (transnational crime). The GVN had relied on a combination of technical assistance from the Asia Development Bank

and international best practices in crafting the 2006 decree. Governor Thuy went on to discuss the SBV's Anti-Money Laundering Information Center, which is apparently still being established. Once operational, the Center will have an online capacity to monitor large financial transactions.

¶5. (SBU) The SBV Governor acknowledged he had the lead on revising the AML decree adding that the SBV hopes to benefit from international experience and cooperation. He appreciated the offer of U.S. help and promised a serious look at the Ambassador's proposal. His final words on the subject were in the nature of a wish -- to have Vietnamese banks in the United States accorded the same treatment as U.S. banks in Vietnam.

¶6. (SBU) Comment: Perhaps it was too much to expect a quick acceptance of our effort to elicit a formal request that the United States review the anti-money laundering decree. After all, the Embassy has already made the same point to the Office of Government, Foreign Affairs, and now Finance and the State Bank. At least we have identified the lead actor as the State Bank. The Ambassador plans to follow up his meeting with a letter repeating the U.S. offer of help but stressing the need for a formal request. Despite our preference for a formal request, given the importance of this issue Post suggests that Washington provide us now with specific points identifying deficiencies in Vietnam's draft AML legislation, explaining why its provisions are deficient and suggesting specific remedies. End comment.

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